



# **CITY OF SANTA BARBARA**

## **REDEVELOPMENT AGENCY AGENDA REPORT**

**AGENDA DATE:** October 26, 2010

**TO:** Chair and Boardmembers

**FROM:** Administration Division, Police Department  
Engineering Division, Public Works Department  
Housing and Redevelopment Division, Community Development Department

**SUBJECT:** Use Of Redevelopment Agency Funds To Lease Building Space  
For Police Building Project Staff Relocation

### **RECOMMENDATION:**

That the Redevelopment Agency Board authorize the expenditure of \$277,200 from the Police Station Renovation Project account to extend the Police Annex building lease at 222 East Anapamu Street for an initial period of 18 months starting January 1, 2011.

### **BACKGROUND:**

In 2007, Council directed staff to make tenant improvements to the dilapidated men's locker room inside the Police Station building. During design of the Men's Locker Room Project, further investigation of the building systems was required and uncovered deficiencies with the building's structure, electrical, ventilation, and plumbing systems. Staff is currently working to complete the seismic structural analysis and a comprehensive building assessment that will further define the final project scope. However, based on the current project's scope, it is anticipated that a partial or complete relocation of employees and other services out of the main police station at 215 E. Figueroa Street during construction will be required.

### **DISCUSSION:**

Currently there are 57 Police Department employees that work out of the Police Annex, located immediately behind the Police Station at 222 East Anapamu Street. The building was leased in 2000 for ten years to address the space issues in the main police station. The 222 East Anapamu building has 8,556 square feet and 35 off-street parking spaces. The building houses the computer training room, bunk rooms, department conference room and 588 square feet of storage area for department bicycles and supplies.

The Police Department's Fiscal Year 2011 approved budget included vacating the Police Annex building by January 1, 2011 and moving those staff members into the current Police Department station as a means of saving \$165,000 (the equivalent of 6 months' rent). Since that time, the landlord has proposed a dramatic reduction in rent from \$27,778 per month to \$15,400 per month, equivalent to a 44% reduction. This substantial price reduction coupled with the upcoming Police Department Renovation Project requiring the building to be partially or completely vacated for approximately 12-18 months, has presented an opportunity for the Redevelopment Agency funded Project to pay for the building lease until the Project is complete.

A cost analysis was conducted that looked at a number of relocation options. The cost analysis reviewed the costs associated with extending the current lease (at the reduced amount) versus the costs associated with moving Police Annex staff back into the current police station for a period of 12-18 months, then locating new leased space, improving that leased space, and relocating Police staff to that new leased space once the Project begins construction. The cost analysis determined there would be an estimated savings of \$318,380 over an 18-month period if the Annex lease were to be extended. The Police Department therefore proposes to retain the Annex as a relocation option and overall Project cost savings measure.

#### **PROJECT UPDATE:**

In late October, staff will be receiving a final report summarizing the structural seismic condition of the building along with a second report that summarizes the overall condition of the entire building's systems. Following the completion of these reports, staff will be arranging internal stakeholder meetings to discuss the viable options available before returning to the Finance Committee with a recommendation in February 2011 and to Council thereafter.

#### **BUDGET INFORMATION:**

The current fund balance for the Police Department Renovation Project is approximately \$7,285,000. The proposed 18-month lease extension can be covered by the Project account.

#### **HEALTH AND SAFETY CODE SECTION 33445.1 FINDINGS AND PUBLIC HEARING**

The Police Station Renovation Project is located outside the Central City Redevelopment Project Area. California Redevelopment Law permits redevelopment agencies to spend redevelopment funds for redevelopment purposes outside of the project area if certain legal findings are made by the legislative body and a public hearing is noticed and held. On June 8, 2010, the Council of the City of Santa Barbara approved and adopted Resolution No. 10-035 making the findings required by Health and Safety Code Section 33445.1 for Redevelopment Agency funding of capital

improvements for the Police Station Renovation Project located outside and not contiguous to the Central City Redevelopment Project Area. Because the Police Annex building can provide necessary relocation space during construction of the Project, use of redevelopment funds is appropriate for that purpose.

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**APPROVED BY:** City Administrator's Office